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REPORTING REQUIREMENTS FOR SCHOOL FUNDING LEGISLATION PASSED IN 2007 SPECIAL SESSION

The following is guidance for reporting and tracking of revenues and expenditures related to the additional funding provided in Senate Bill 2 (SB2) and House Bill 2 (HB2) approved in the 2007 Special Session. A description of all Special Session actions and which program funds will be affected can be found at:

http://opi.mt.gov/PDF/Superintendent/SenateBill_2SpecialSession.pdf

The complete bill text can be found at these links:

SB2: <http://data.opi.mt.gov/bills/specsess/0507/billpdf/SB0002.pdf>

HB2: <http://data.opi.mt.gov/bills/specsess/0507/billpdf/HB0002.pdf>

Questions and Answers about Full-Time Kindergarten can be found at:

http://www.opi.mt.gov/pdf/schoolfinance/enrollment/FTK_QA.pdf

FUNDS FOR FULL-TIME KINDERGARTEN

SB2 provides funding in the general fund and miscellaneous programs fund for districts that offer a full-time kindergarten program. The bill allows the superintendent of public instruction to increase the ANB count for a district that is transitioning from half-time to full-time kindergarten. Kindergarten enrollment in the previous year is counted as full-time enrollment for determining ANB counts for the current year. In order to receive the increased ANB count, elementary and K-12 districts must submit form PAA-3, Application for Additional ANB to OPI. Districts that submit form PAA-3 for full-time kindergarten programs that will be offered in FY2007-08 will receive additional funding and budget authority in the FY2007-08 general fund budget.

SB2 provides a one-time-only payment for start-up costs to school districts that offer a full-time kindergarten program prior to July 1, 2012. Funding will be distributed based on the district's kindergarten enrollment reported in FY2006-07. Districts that submit form PAA-3 to request additional ANB funding for offering a full-time kindergarten program in FY2007-08 will automatically be scheduled for the OTO payment for start-up costs. A school district which plans to offer full-time kindergarten after FY2007-08 and prior to July 1, 2012 must submit an "Intent to Offer a Full-Time Kindergarten Program" form to OPI to receive the OTO payment for start-up costs. There is no need for school districts to file both forms.

Additional Funding in the General Fund

The additional ANB funding for full-time kindergarten is reflected in the direct state aid, special education allowable costs and Indian Education for All payments that are paid directly to the general fund (01). The money may be used for any general fund purpose, so expenditures may be coded to any expenditure program used in the general fund. No special accounting or tracking is required.

The Montana Office of Public Instruction provides vision, advocacy, support, and leadership for schools and communities to ensure that all students meet today's challenges and tomorrow's opportunities.

One-Time-Only (OTO) Payment for Full-Time Kindergarten Start-up Costs

The kindergarten start-up costs payment will be paid after the appropriate form has been received and processed by OPI. The funds will be deposited into the miscellaneous programs fund (15) using revenue source code 3670. The money may be used for any costs related to the startup of a full-time kindergarten program in accordance with 20-7-117, MCA. Expenditures should be tracked using program code 367.

INDIAN EDUCATION FOR ALL GENERAL FUND PAYMENT

SB2 limits the expenditure of the Indian Education for All payment to curriculum development, providing curriculum materials to students, and providing training to teachers about the curriculum and materials. School districts are required to file an annual report to OPI that specifies how the Indian Education for All funds were expended.

OTHER ONE-TIME-ONLY PAYMENTS (OTO)**Indian Education for All (OTO – FY2008 and FY2009)**

The Indian Education for All one-time-only payment will be paid in August 2007 and August 2008. The money will be deposited in the miscellaneous programs fund (15) using revenue source code 3650. Expenditures should be tracked using program 365. The money may not be transferred to any other fund. Funds may be spent on curriculum development, providing curriculum materials to students, and providing training to teachers about the curriculum and materials. There is no time limit on the expenditure of the funds.

Capital Investment and Deferred Maintenance (OTO – FY2008)

The capital investment and deferred maintenance one-time-only payment will be paid in FY2008 on the same schedule as direct state aid. The money will be deposited into the miscellaneous programs fund (15) using revenue source code 3660. Expenditures for the capital investment and deferred maintenance payment should be tracked using program 366. The money may be retained by the district and spent for capital investment and deferred maintenance purposes for a period of ten years. Unspent funds will be reverted to the state general fund.

The following is a summary of the accounting codes that will be used to report these funds:

Payment Description	Fund Paid To	Revenue Code	FY 2008	FY 2009	Expend Program Code	Comments
Additional ANB for full-time Kindergarten	General Fund 01	3110 3115 3111 3113	Yes	Yes	Any	May be used for any general fund purpose; no special accounting or tracking required.
State OTO Indian Education For All	Misc Program Fund 15	3650	Yes	Yes	365	Use Expenditure Program 365 to track expenditures.
State OTO Capital Investment and Deferred Maintenance	Misc Program Fund 15	3660	Yes – 10 yrs to spend	No	366	Use Expenditure Program code 366 to track expenditures.
OTO Full-Time Kindergarten Startup	Misc Program Fund 15	3670	When form is submitted and processed by OPI		367	Use Expenditure Program code 367 to track expenditures.

For more information, contact Rebecca Phillips (406) 444-0783, or Denise Ulberg (406) 444-1960